

BEFORE THE VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: An Order for Disbursement of Escrowed Funds (and Authorization for Direct Payment of Royalties)

JURISDICTION: Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: VC-539764

TRACT(S): 6

LOCATION: DICKENSON County, Virginia

TAX ID NUMBERS: Tax Map Identification Numbers for all parcels affected by this order are shown on: Exhibit B

DOCKET NUMBER: VGOB-08-0916-2329-01

APPLICANTS: EQT Production Company on behalf of Tom Dotson

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
May 21, 2013

APPEARANCES: James Kaiser on behalf of EQT Production Company

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 04/08/2010, Recorded on 05/24/2010, Deed Book/Instrument No. 477, Page 411.
2. Supplemental Order, Recorded on 02/24/2011, Deed Book/Instrument No. 484, Page 501.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the May 21, 2013 hearing and considered whether to:

DB 510 PG 791

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 6 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 6 relative to the interests of the Applicants identified in the attached petition.

(3) Close the escrow account under this docket number.

FINDINGS: Code of Virginia § 45.1-361.22

Applicant has certified and represented to the Board that:

Range Resources-Pine Mountain was a conflicting claimant with Thomas Dotson with regard to Tract 6 as created by VGOB 08/09/16-2329. To resolve this conflict, a letter dated March 17, 2013, signed by Phil Horn, Land Manager for Range Resources-Pine Mountain is attached hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit VC-539764

VGOB-08-0916-2329-01

Table 1
Tracts: 6

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			<i>in Tract</i>	<i>in Tract</i>	<i>Agreement</i>	<i>Disbursed</i>	<i>Disbursed</i>
		Total acreage in escrow before disbursement				0.70000	
	6	Tract 6 (total acreage)		0.70			
1	6	Tom Dotson\305 Hill Road, Southern Pines, NC 28387		0.7000	100.00%	0.7000	100.0000%

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.

2. The Escrow Agent is ordered to close the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

CONCLUSION:

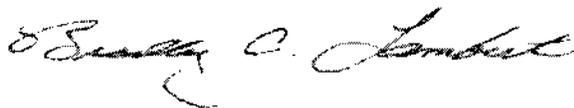
Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

APPEALS:

Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

DB 510 PG 793

DONE AND EXECUTED this 6 day of August, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 6 day of August, 2013 by Order of the Virginia Gas and Oil Board.



Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 6th day of August, 13, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.



Diane J. Davis, Notary Public
174394

My Commission expires: September 30, 2013



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: EQT Production Company

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 08-0916-2329-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 6
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: May 21, 2013

DRILLING UNIT: VC-539764

DICKENSON COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is EQT Production Company, 225 North Shore Drive, Pittsburgh, PA 15212, (412)553-5700. Petitioner's counsel is James Kaiser, Wilhoit and Kaiser Law Firm, 220 Broad Street, Suite 210, Kingsport, TN 37660 .

2. Relief Sought

Petition for disbursement of escrowed funds on behalf of Thomas Dotson for Well VC-539764, VGOB 08/09/16-2329.

3. Legal Authority

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of Well(s)

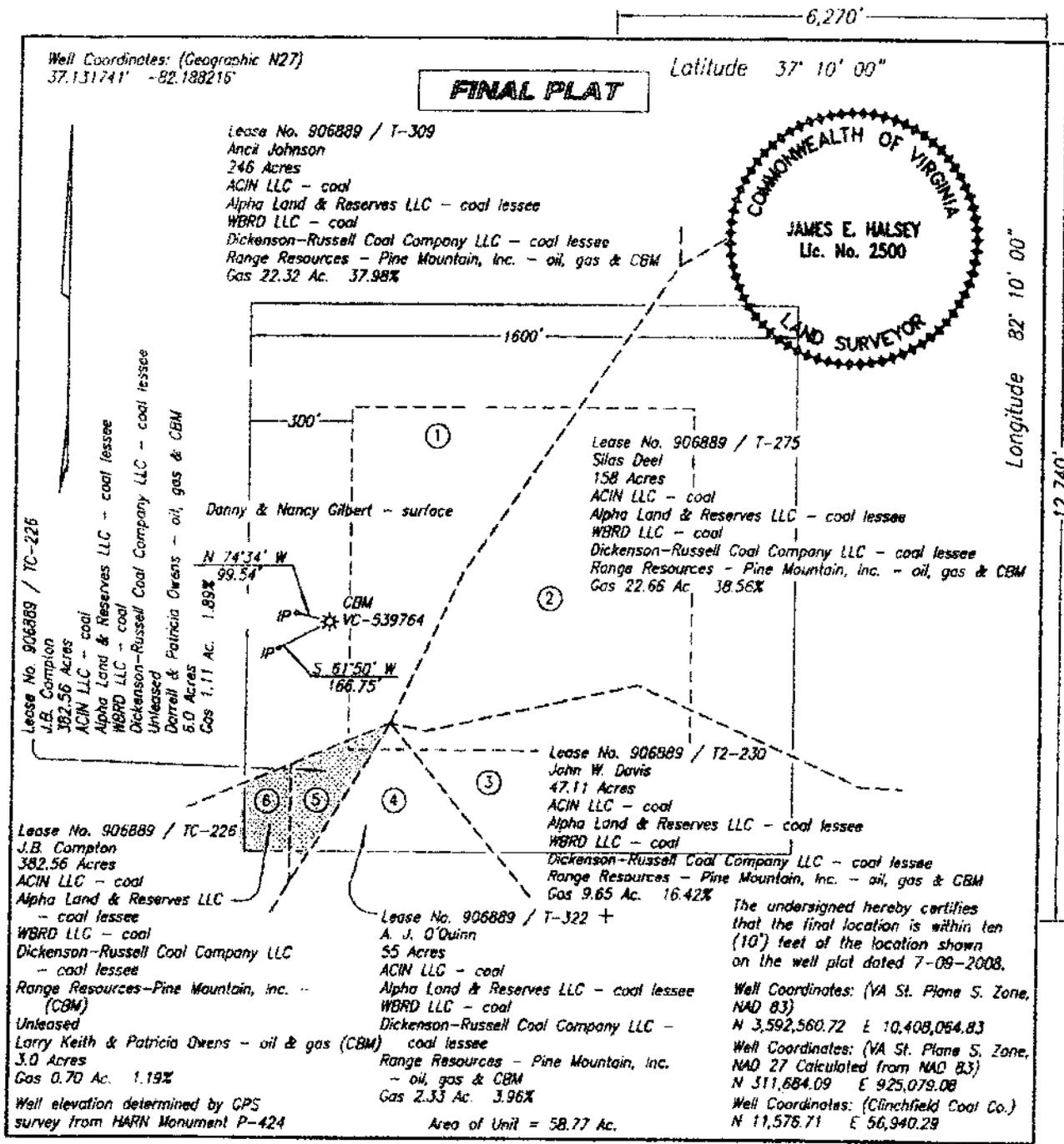
Coalbed Methane

5. Factual basis for relief requested

Range Resources-Pine Mountain was a conflicting claimant with Thomas Dotson with regard to Tract 6 as created by VGOB 08/09/16-2329. To resolve this conflict, a letter dated March 17, 2013, signed by Phil Horn, Land Manager for Range Resources-Pine Mountain is attached hereto.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.



WELL LOCATION PLAT (Nora Grid AT-73)

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-539764
TRACT NO. Le. No. 906889/T-309 ELEVATION 1,964.95' QUADRANGLE Prater
COUNTY Dickenson DISTRICT Sandlick SCALE 1" = 400' DATE 10-30-2008

This Plat is a new plat ; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

James E. Halsey
Licensed Professional Engineer or Licensed Land Surveyor

EXHIBIT "B"
 VC-539764
 REVISED 04/10/2013

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1 TAX ID 20491	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/T-309	37.980000%	22.3200
2 TAX ID 20455	Range Resources-Pine Mountain, inc. ATTN: Jerry Grantham P O. Box 2136 Abingdon, VA. 24212	Leased 906889/T-275	38.560000%	22.6600
3 TAX ID 21075	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/T2-230	16.420000%	9.6500
4 TAX ID 20505	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/T-322	3.960000%	2.3300
5 TAX ID 7663	Tom Dotson * 305 Hill Road Southern Pines, NC 28387	Leased	1.890000%	1.1100
6 TAX ID 19857	Tom Dotson ** 305 Hill Road Southern Pines, NC 28387 Bee, VA 24217	Unleased	1.190000%	0.7000
TOTAL GAS ESTATE			100.000000%	58.7700
Percentage of Unit Leased			98.810000%	
Percentage of Unit Unleased			1.190000%	
Acreage in Unit Leased				58.0700
Acreage in Unit Unleased				0.7000

EXHIBIT "B"
 VC-539764
 REVISED 04/10/2013

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Coal Estate Only</u>				
1 TAX ID 20491	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/T-309	37.980000%	22.3200
2 TAX ID 20455	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/T-275	38.560000%	22.6600
3 TAX ID 21075	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/T2-230	16.4200000%	9.6500
4 TAX ID 20505	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/T-322	3.960000%	2.3300
5 TAX ID 9224	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/TC-226	1.89000%	1.1100
6 TAX ID 9224	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/TC-226	1.19000%	0.7000
TOTAL COAL ESTATE			100.000000%	58.7700
Percentage of Unit Leased			100.000000%	
Percentage of Unit Unleased			0.000000%	
Acreage in Unit Leased				58.7700
Acreage in Unit Unleased				0.0000

*See deed dated 8/4/2011 of record in Dickenson County, VA, Deed Book 488 Page 709 wherein Darrell & Patricia Owens conveyed to Thomas Dotson

**See deed dated 7/29/2011 of record in Dickenson County, VA, Deed Book 488 Page 69 wherein Larry & Patricia Owens conveyed to Thomas Dotson.

DB 510 PG800

EXHIBIT "E"
VC-539764
REVISED 04/10/2013

N/A

EXHIBIT "EE"
 VC-539764
 REVISED 04/10/2013

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
6 TAX ID 19857	Thomas Dotson 305 Hill Road Southern Pines, NC 28387	Unleased	1.190000%	0.7000
TOTAL			1.190000%	0.7000
<u>Coal Estate Only</u>				
6 TAX ID 9224	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/TC-226	0.000000%	0.0000
TOTAL			0.000000%	0.0000

*Formerly owned by Larry & Patricia Owens. See attached deed.



March 11, 2013

EQT Corporation
P.O. Box 23536
Pittsburgh, PA 15222

ATTENTION: Kristie Rudick

RE: **Permanent Release of CBM Royalty**
Well VC-539776, VC-539762, and VC-39764
Dickenson County, Virginia

Dear Kristie:

I enclose a copy of the Permanent Release of CBM Royalty Packet with regard to Tom Dotson's interest in the aforesaid wells. A copy of each of the following source deeds is enclosed:

1. Deed dated August 4, 2011, of record in the Circuit Court Clerk's Office of Dickenson County, Virginia, in Deed Book 488, Page 709, by Darrell G. Owens and Patricia Owens to Thomas Dotson for the oil and gas underlying 6.5 acres, more or less, Tax ID Number 18015; and underlying 7 acres, more or less, Tax ID Number 7663.
2. Deed dated July 29, 2011, of record in the aforesaid Clerk's Office in Deed Book 488, Page 69, by Larry Keith Owens and Patricia Gail Owens to Thomas Dotson for the oil and gas underlying 3 acres, more or less, Tax ID Number 19857; and underlying 3.80 acres, more or less, Tax ID Number 7733.

Please notice George B. O'Quinn et ux conveyed their right, title, and interest in and to all of the oil and gas underlying a 20 acre, more or less, tract or parcel of land, Tax ID Number 7617, and a 10 acre, more or less, tract or parcel of land, Tax ID Number 7616, by deed dated August 13, 2011, of record in the Circuit Court Clerk's Office of Dickenson

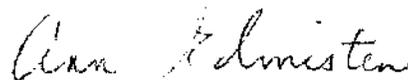
EQT Corporation
Attention: Kristie Rudick
March 11, 2013
Page 2

County, Virginia, in Deed Book 489, Page 112. A copy of this deed is also enclosed for your reference. George B. O'Quinn et ux entered into an agreement with Range Resources-Pine Mountain, Inc., as to a permanent split of CBM Royalty, which letter is dated October 15, 2008, a copy of which is enclosed.

If you have any questions regarding the above or the enclosed, do not hesitate to contact this office.

Sincerely,

RANGE RESOURCES - PINE MOUNTAIN, INC.



Ann Edmisten, CLAS
Land Tech II

Enclosures

March 7, 2013



RANGE RESOURCES®

Mr. Tom Dotson
305 Hill Road
Southern Pines, NC 28387

Re: **Permanent Release of CBM Royalty**
Well VC-539776, VC-539762, and VC-539764
Dickenson County, Virginia

Dear Mr. Dotson:

As you are aware, EQT Production Company ("EQT") has drilled the above-referenced coalbed methane gas wells on the Darrell Owens et ux 6 acre tract and the Larry Keith Owens et ux 3 acre tract (being a portion of the J. B. Compton Tract) ("Subject Tract") either under a pooling order from the Virginia Gas and Oil Board ("Board") or as voluntary drilling unit. For these wells, we are listed as having conflicting claims. Range Resources - Pine Mountain, Inc. ("RRPM") is listed as claiming under a coal title, and you or your predecessors in title are listed as claiming under a gas title. The plats indicating the location of each well within the operating unit is enclosed for your reference.

EQT, as operator of the units, has placed or will place all royalty proceeds attributable to conflicting claims into an escrow or suspense account. In order to allow release of the royalty proceeds, RRPM hereby waives any claims to past or to future royalties attributable to your interests in these wells.

By copy of this letter, RRPM is requesting EQT to initiate distribution directly to you of all current royalties, as well as all future royalties, attributable to your interests in these wells. Please be advised that EQT may require that you demonstrate that you are the current owner of the gas estate. You should work directly with EQT on that issue.

Enclosed is a W-9 Form that you will need to complete by entering your Social Security Number in Part I and by signing and dating the Certification in Part II. A self-addressed, stamped envelope is enclosed for your convenience in returning the completed form to this office.

Mr. Tom Dotson
March 7, 2013
Page 2

If you have any questions, please do not hesitate to call me at 276-619-2583.

Sincerely,

RANGE RESOURCES-PINE MOUNTAIN, INC.



Phil Horn
Land Manager

Enclosures

cc: Kristie Rudick, EQT
Debbie Louthian, RRPM

Phil Horn, 276-619-2583
Range Resources-Pine Mountain, Inc.
10000 Pine Mountain Road
Pine Mountain, VA 22851
www.rrpmt.com